



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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November 27, 2007

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley *JTM*
Auditor-Controller

SUBJECT: **REGIONAL PARK AND OPEN SPACE DISTRICT PROPOSITION A
GRANT AUDITS (WORK ORDER 6-85C)**

The Los Angeles County Regional Park and Open Space District (District) was created by Proposition A (formally called the Los Angeles County Safe Neighborhood Parks Act) in 1992. The District is authorized to levy benefit assessments and make grants to agencies to preserve beaches, parks and wildlife; to construct, renovate and improve new and existing recreational facilities; and to restore rivers, streams and trails. The District may also provide maintenance and servicing funds to agencies to offset increased maintenance costs resulting from grant projects. The District is governed by your Board and administered by the Department of Parks and Recreation (DPR).

At DPR's request, we contracted with a Certified Public Accounting firm, Mayer Hoffman McCann P.C. (Mayer), to audit 30 closed grant projects, totaling approximately \$21.9 million, to verify that the recipients properly spent and accounted for the Proposition A funds. Four of the 30 projects also received maintenance and servicing funds.

Review Summary

Mayer reported that eight of the thirty grant projects did not have adequate documentation to support the project costs. Five of the eight projects with questioned costs were grants to the County Department of Parks and Recreation, with \$58,096 in questioned costs out of a total of \$354,945 in project costs, and one was a grant to the

"To Enrich Lives Through Effective and Caring Service"

County Department of Public Works, \$17,043 questioned out of a total of \$478,072. The remaining two projects with questioned costs were grants to the City of Los Angeles and the City of Downey, with \$130,142 and \$1,207 in questioned costs out of a total of \$149,522 and \$40,000 in project costs, respectively. Attachment I summarizes the grants and maintenance and servicing funds that were audited.

Review of Report

Attachment II is the District's response. For the eight projects with questioned costs, the District concluded that, while the agencies did not keep adequate documentation of the project costs, the eight projects were completed in compliance with each project description. As a result, the District will not attempt to recover the questioned costs from the grantees. The District's response also indicates that it will remind all grantees of the need to comply with their grant agreements and the District's Procedural Guide.

Mayer provided copies of each report to the grantee and to the District. Because of the large number of reports, copies are not enclosed, but are available for your review. Please call me if you have any questions, or your staff may call Jim Schneiderman at (626) 293-1101 if you wish to review any of the reports.

JTM:MMO:JLS:TK:MR

Attachments

c: William T Fujioka, Chief Executive Officer
Russ Guiney, Director, Parks and Recreation
Ilona Volkmann, Administrator, Regional Park and Open Space District
Sachi A. Hamai, Executive Officer
Public Information Office
Audit Committee

REGIONAL PARK AND OPEN SPACE DISTRICT FY 2005-2006 PROPOSITION A GRANTS

Proposition A Grants

Agency	Project	Grant Number	Supervisory District	Grant Amount
1 County of LA, Parks and Recreation	Belvedere Park - Restroom and Gym Improvements	0720-94-0018	1st	\$ 161,385 (1)
2 County of LA, Parks and Recreation	Whittier Narrows Area (Soccer Fields)	2020-95-0407	1st	\$ 1,812,735
3 All Peoples Christian Center	Youth Center - Gym Stage Renovation	58M1-00-1163	2nd	\$ 56,698
4 Boys and Girls Club of Venice	Boys and Girls Club of Venice Project	58M1-99-1149	2nd	\$ 300,000
5 Compton, Parks and Recreation	Various Park Renovations	58C3-94-0188	2nd	\$ 290,046
6 Culver City	Culver City Senior Center Project	58C6-99-1107	2nd	\$ 1,913,524
7 Hawthorne, Parks and Recreation	Jim Thorpe Park Ballfield Renovation	58D7-96-0525	2nd	\$ 60,000
8 Los Angeles	Housing Authority - Imperial Courts Recreation Center	58F6-95-0337	2nd	\$ 2,000,000
9 Los Angeles	Markham Middle School Sports Fields	58F6-97-0572	2nd	\$ 300,000
10 California Parks and Recreation	Malibu Pier Restoration	58L8-02-0854	3rd	\$ 3,597,656
11 County of LA, Public Works	Ashland, Brooks, Pershing Drain Low-Flow Diversion Project	58L6-98-0661	3rd	\$ 478,072 (2)
12 Hollywood Beautification Team	Rio Hondo Restoration and Improvements	58M1-02-2006	3rd	\$ 150,000
13 La Puente	Community Center Improvement Project	58F1-99-1110	3rd	\$ 722,147
14 Los Angeles	Griffith Park Boys Club Low Challenge Ropes Course and Climbing Wall	58F6-00-0848	3rd	\$ 50,000
15 Los Angeles, Public Works	Carey Ranch Park	58F6-00-1243	3rd	\$ 149,522 (3)
16 Los Angeles	Ballona Lagoon Water Quality Enhancement Project	58L5-98-1036	3rd	\$ 385,024
17 Bellflower	Rehabilitation of Ballfields at Caruthers, Simms, and Thompson Parks	58B2-00-1195	4th	\$ 75,000
18 Downey	Golden Park Irrigation Renovation	58C8-99-1084	4th	\$ 40,000 (4)
19 El Segundo	Play Equipment Replacement at Holly Kansas Park	58D2-04-0865	4th	\$ 74,610
20 Hermosa Beach	Hermosa Beach Pier Renovation - Phase III	58D8-03-0856	4th	\$ 2,121,743
21 Long Beach	Rehabilitation of Park Lakes	58F5-97-0615	4th	\$ 150,000
22 Long Beach	Baker Street and Golden Avenue Project	58F5-94-0197	4th	\$ 100,000
23 Long Beach	Our Own Place Senior Center Expansion	58F5-02-1314	4th	\$ 1,417,825
24 Long Beach	Community Therapy and Teaching Pool Project	58F5-98-0737	4th	\$ 396,000
25 AAF Rose Bowl Aquatics Center	San Marino High School Tennis Court Improvement Project	58M1-01-0852	5th	\$ 192,625
26 San Marino	Two Strike Park General Improvements	58J3-02-1304	5th	\$ 71,858
27 County of LA, Parks and Recreation	Pamela Park General Improvements	1880-94-0090	5th	\$ 144,849
28 County of LA, Parks and Recreation	Jackie Robinson Park Improvements	1540-96-0441	5th	\$ 1,983,090
29 County of LA, Parks and Recreation	El Proyecto de Revitalizacion y Embellecimiento de Walnut y Arrow	1650-95-0388	5th	\$ 2,566,710
30 La Verne		58F2-00-1200	5th	\$ 82,119
Total				\$ 21,843,238

Maintenance and Servicing

Agency	Project	Grant Number	Supervisory District	M & S Amount
1 County of LA, Parks and Recreation	Belvedere Park - Restroom and Gym Improvements	0720-94-0018	1st	\$ 220 (1)
2 County of LA, Parks and Recreation	Whittier Narrows Area (Soccer Fields)	2020-95-0407	1st	\$ 8,318 (6)
3 County of LA, Parks and Recreation	Jackie Robinson Park Improvements	1650-95-0388	5th	\$ 28,778 (7)
4 County of LA, Parks and Recreation	Pamela Park General Improvements	1540-96-0441	5th	\$ 11,395 (8)
Total				\$ 48,711

- (1) Mayer Hoffman questioned \$3,649 in Proposition A grant project costs and \$220 in maintenance and servicing costs due to a lack of supporting documentation. The District that the questioned costs were allowable.
- (2) Mayer Hoffman questioned \$17,043 in Proposition A grant project costs due to a lack of supporting documentation. The District determined that the questioned costs were allowable.
- (3) Mayer Hoffman questioned \$130,142 in Proposition A grant project costs due to a lack of supporting documentation. The District determined that the questioned costs were allowable.
- (4) Mayer Hoffman questioned \$1,207 in Proposition A grant project costs due to a lack of supporting documentation. The District determined that the questioned costs were allowable.
- (5) Mayer Hoffman questioned \$5,736 in Proposition A grant project costs due to a lack of supporting documentation. The District determined that the questioned costs were allowable.
- (6) Mayer Hoffman questioned \$8,318 in maintenance and servicing costs due to a lack of supporting documentation. The District determined that the questioned costs were allowable.
- (7) Mayer Hoffman questioned \$28,778 in maintenance and servicing costs due to a lack of supporting documentation. The District determined that the questioned costs were allowable.
- (8) Mayer Hoffman questioned \$11,395 in maintenance and servicing costs due to a lack of supporting documentation. The District determined that the questioned costs were allowable.



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

October 11, 2007

TO: Each Supervisor

FROM: Russ Guiney *Russ Guiney*
Director, Parks and Recreation

SUBJECT: **REVISED - REGIONAL PARK AND OPEN SPACE DISTRICT
PROPOSITION A GRANT AUDITS (WORK ORDER 6-85C)**

This memo is revised due to errors in reporting grant numbers for Pamela Park General Improvements Grant No. 1540-96-0441 and City of Los Angeles Grant No. 58F6-00-1243.

A routine audit was performed by the Certified Public Accounting firm, Mayer Hoffman McCann, of 30 Proposition A grants. The District determined that the eight projects with audit findings had been completed in compliance with each grant's project description. As a result, the District will not pursue reimbursement from these grantees.

Six of the eight grant projects with audit findings are from the Department of Parks and Recreation (DPR) and the Department of Public Works (DPW).

- Belvedere Park, Restroom and Gym Improvements, Grant No. 0720-94-0018;
- Pamela Park General Improvements, Grant No. 1540-96-0441
- Jackie Robinson Park Improvements, Grant No. 1650-95-0388
- Two-Strike Park General Improvements, Grant No. 1880-94-0090
- Whittier Narrows Area (Soccer Fields), Grant No. 2020-95-0407
- County of Los Angeles Public Works: Ashland, Brooks, Pershing Drain Low-Flow Diversion, Grant No. 58L6-98-0661

The auditors questioned certain costs from the capital projects, and maintenance and servicing expenditures of these projects because of the lack of support documentation. These projects and expenditures began shortly after the passage of Proposition A in 1992 and were closed more than five years following completion of the projects. Many expenditures were made soon after the passage of Proposition A when DPR and DPW did not have computerized records and some manual records, consequently were lost. The Department of Parks and Recreation and Department of Public Works now have computerized records and DPR is working on a centralized location to store grant project records.

Each Supervisor
October 11, 2007
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The District's grant agreements require that grantees agree to retain financial accounts, documents and records for five years following Project completion, which is defined as the date the District officially closes the project. To clarify the record retention period, the District continues to include in all notices for closing projects, a caution to grantees that they are required to retain all Proposition A financial documentation for five years from the date of the notice.

In addition, the audit found that DPR billed directly against District funds and did not submit formal payment requests as required by District policy. In 2001, DPR revised its billing procedures so that all active and subsequent new grants would be administered on a reimbursement basis with District document review to resolve issues arising as a result of the initial procedures.

The last two grant projects with questioned costs are:

- City of Los Angeles - Carey Ranch Park, Grant No. 58F6-00-1243; and
- City of Downey, Golden Park Irrigation Renovation, Grant No. 58C8-99-1084

The audit found that both cities did not retain grant documentation as agreed for the period required by the grant agreement. Charges could not be supported with source documents. The District determined that both projects had been completed in compliance with each project agreement as documented on the District's Project Inspection Reports of May 10, 2004 and September 27, 2004, respectively.

In future, to reinforce the procedural guide portion of the District's grant agreements, all grantees mentioned in this letter as well as all District grantees will be sent an annual notice reminding them of their agreement to adhere strictly to the District's Procedural Guide during the administration of their projects, specifically, with the retention of financial records. Grantees will also be informed that the Procedural Guide is available on the District's website at <http://openspacedistrict.lacounty.info>.

Please call if you have any questions or your staff can contact Ilona Volkmann, Administrator, Regional Park and Open Space District at (213) 738-2981.

Attachment

c: William T Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer
Ilona Volkmann, Administrator, Regional Park and Open Space District